

New Jersey Minimum Wage Hike on July 1, 2019

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The New Jersey minimum wage will increase to \$10.00 per hour for many employees in the state on July 1, 2019.

Thereafter, on January 1 of each year, the minimum wage will increase by another \$1.00 per hour, until it ultimately reaches \$15.00 per hour in 2024. After 2024, the rate will continue to increase based on the federal consumer price index for all urban wage earners and clerical workers.

The enacting legislation creates carve out exemptions for certain employers, such as seasonal employers, small employers (with fewer than five employees), and agricultural employers. These exceptions, however, only delay the minimum wage increases for a few years.

Tipped employees also are affected by the minimum wage increase. New Jersey employers must pay tipped employees a minimum cash wage of \$2.13 per hour. They may satisfy the remainder of the minimum wage through gratuities paid by customers. Along with the overall rise in the minimum wage, these amounts for tipped employees also are increasing on July 1, 2019, and on the first day of each year thereafter.

[Click here](#) for a schedule of the increases.

To the extent an employer pays the current cash minimum, any notices or acknowledgments regarding the value of the tip credit may require revisions given the increases.

In addition, starting in 2020, employers may pay “training wages” to new employees who are enrolled in a training program for the first 120 hours worked. These wages may be at a rate of 90% of the then-current minimum wage.

In raising its minimum wage, New Jersey joins a growing number of states and local governments that have begun to raise the minimum wage to \$15.00 per hour, including California, Massachusetts, New York, and the District of Columbia.

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